

2014 ADOPTED BUDGET

SUMMARY

INTRODUCTION

The Jefferson County 2014 Budget, as adopted by the County Board of Supervisors at its November 12 2013 meeting, is presented herein.

The following is a summary of the major areas of the 2014 Adopted Budget:

PROPERTY TAX RATE

The 2014 Adopted Budget results in a Countywide Property Tax Rate of \$4.2655 per \$1,000 valuation. This represents a \$0.1134 increase over the 2013 Adopted Tax Rate of \$4.1521 per \$1,000 valuation. In 1985, the Countywide Property Tax Rate was \$2.7963. The 2014 tax rate increase is due to the decline in equalized values in the County and a small property tax levy increase. As explained in the next section, there is a \$155,002 tax levy increase in the 2014 Adopted Budget by capturing new construction. As calculated by the State Department of Revenue, the 2014 Equalized Value in the County is reduced by approximately \$121M from the value used in the 2013 Adopted Budget.

PROPERTY TAX LEVY

The 2014 Adopted Budget total property tax levy of \$27,004,367 is a \$98,158 (0.4%) increase from the 2013 Adopted Budget. This tax levy amount meets the State imposed tax levy limitations. The State imposed tax levy limit for 2014 is the greater of 0.0% or the County's growth rate of new construction. This growth rate has been calculated by the State to be only 0.6% for Jefferson County. Therefore, the County can increase its tax levy by \$155,002 (0.6%) in 2014.

The following chart reflects the County's Property Tax Levy change from the 2013 Adopted Budget:

Property Tax Levy	2013 Adopted	2014 Adopted	2013-2014 Change	
			Amount	% Change
Countywide	\$24,938,651	\$25,101,310	\$162,659	.7%
Health	897,264	887,279	(9,985)	(1.1%)
Subtotal	\$25,835,915	\$25,988,589	152,674	.6%
Library	1,070,294	1,015,778	(54,516)	(5.1%)
Total	\$26,906,209	\$27,004,367	98,158	.4%

GENERAL FUND BALANCE

The 2014 Budget adheres to the County's Fund Balance Policy of striving to maintain three (3) months of budgeted expenditures for working capital. The Policy further states that unassigned funds above the three (3) months of budgeted expenditures shall be used for either capital outlay, repayment of debt or a reduction in the tax levy.

The use of unassigned Fund Balance as a revenue source in the County General Revenues portion of the Budget is included in the 2014 Adopted Budget. As of January 1, 2013, the County's General Fund had a balance of \$1.186M and the Health Department had a balance of \$74,660. The 2014 Adopted Budget utilizes the remaining funds as follows:

\$1,186,459	Capital Items in departmental budgets
30,000	Health Department Vehicle
44,660	Reduction in Health Department Levy
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\$1,261,119	

EXPENDITURES

The 2014 Budget includes total County expenditures of \$84.5M, or \$18.56 million more than the 2013 Adopted Budget expenditure of \$65.94M. This increase is primarily due to \$17.89 million allocated to Highway Facility projects from one time revenue sources, increase in health insurance premium, WRS contribution and step grade increases.

REVENUE

The 2014 Budget includes revenue of \$35.99M which is up about \$.28M from the 2013 Adopted Budget.

The State Department of Revenue has notified the County of its final 2014 State General Shared Revenue, which will be the same as 2013 at \$1.177M. In addition the County was notified that its portion of the Utility State Shared Revenue will decrease by \$16,286 from the 2013 Adopted Budget to \$895,036.

The County anticipates a slight increase in sales tax revenue in 2014, as a result of anticipated growth in the economy. The 2014 budgeted sales tax revenue of \$5,265,367 is \$109,451 increase over the 2013 Adopted Budget.

The use of Other Financing Sources in the 2014 Budget is increased to \$21.51M or \$18.19M more than the 2013 Adopted Budget. The majority of this increase is due to the projected \$17.85M bond issuance for the Highway Facility projects. The 2014 Budget also includes \$1.186M of Fund Balance revenues as a source for funding department capital items. In addition this also includes \$74,660 of Health Department fund balance of which \$30,000 will be used to purchase a vehicle and \$44,660 will be utilized to reduce their levy.

BUDGET HIGHLIGHTS

In addition to the budget information provided in the previous sections of the Summary, the following is additional information of the major Highlights of the 2014 Adopted Budget:

1. The 2014 Budget includes \$27.004M in property tax levy support. State law that establishes a 0% tax levy limit on local units of government also permits local governments to increase their tax levy by the rate of growth in new construction. For Jefferson County, a growth rate of 0.6% has been calculated by the State. The County is permitted to increase the tax levy by up to \$155,002. The 2014 Adopted Budget utilizes all of this potential increase for capital expenditures.
2. State law requires that general employees pay 50% of their WRS pension contribution and the employer may not exceed paying 88% of the average health insurance premium cost of the health plans available in the County's tier from the State wide plans. This provision excludes public safety employees.

The 2014 Budget includes \$6.8M for health insurance premium costs and \$2.4M for WRS pension contribution costs as the County's share of these employee benefits. These amounts are an increase of approximately \$678,000 and \$49,171 respectively, over the 2013 Adopted Budget.

3. The 2014 Budget includes \$19.45M in capital outlays, of which \$1.429M is funded with property tax levy and \$17.89M from bond proceeds. Of the property tax levy amount \$1.186M is from General Fund Balance, \$155,002 from new construction and \$30,000 from Health Department Fund balance. The reminder of capital funds come from other sources such as donation and grants.

4. As of April 15, 2013, the County was debt free. The 2014 proposed budget includes \$17.89M of issuing General Obligations bonds to fund Highway Facility Projects. If the issuance of debt is approved by the Board, the formal payment plan will be adopted for incorporation into future budgets.
5. The County's tax levy support for the operation of the Fair Park in 2014 is budgeted at \$118,006. This is \$69,950 less than the 2013. Adopted Budget. \$51,006 is from 2014 levy for operation and maintenance expenses and \$67,000 is for capital expenditures being paid with fund balance.
6. The Highway Department's 2013 Budget included funds to assist in design development of the Highway Facility. In the 2014 Budget, this will transition from being an operational expenditure to a separate capital fund for the duration of the project. A total of \$17.89M is shown in this budget broken down as \$16M for the main Highway Facility, \$1.5M for satellite facilities and \$390,000 for soft cost in issuing the debt.

Included in the Highway Department's 2014 Budget is \$4.36M for highway road construction project, of which \$4.06M is property tax levy. This level of funding should enable the department to reconstruct approximately 7.25 miles of County highway and start design work on two future reconstruction projects. The 2013 Adopted Budget included approximately the same level of funding for the construction of 10 lane miles. In addition, \$950,000 has been allocated from the vehicle depreciation fund to purchase new vehicles and equipment.
7. The 2014 Budget includes 554 authorized County positions (477 Full-time, 65 Part-time and 22 Seasonal/Occasional/LTE). The above changes include position changes that occurred in 2013, as a result of County Board action. A detail of all position changes including those changes that are occurring in the 2014 Budget, are included in the Classification of Authorized County Positions listing and the 2014 Adopted Budget Position Changes listing of this budget document.

8. This budget also includes \$50,000 for the Rock River Free Clinic; \$28,000 for the Railroad Consortium split 50/50 between the County Board's Budget and the Economic Development Consortium Budget; \$7,500 for the Dental Clinic; \$10,000 for the Community Care Clinic; \$4,500 for Tourism and \$32,000 for the Jefferson County Literacy Council with \$16,000 from the County Board budget and \$16,000 through the Sheriff's department to provide services to those in jail.

CONCLUSION

The 2014 Budget provides for continuation of existing County services, while adapting to change in programs and services provided for on behalf of the state and federal government. In addition, the Budget provides for the continued investment of technology, infrastructure, equipment, economic development and cultural and public recreation opportunities in order to maintain and improve services to the public and control as the County continues to grow. Many of the recommendations made in this budget are to be in position to be better prepared for the 2015 budget.

The development and preparation of the 2014 Adopted Budget could not have been completed without the hard work of Department Heads, the Finance Director, Assistant Finance Director, Human Resources Director and all of their staffs. The diligence and effort that all of these employees put forth during the past four months of the budget process is certainly commendable and greatly appreciated.

The thorough review of the 2014 Adopted Budget by the Finance Committee was conducted during its budget hearings with County Department Heads. The Committee formulated its recommendations to the full County Board and Supervisors had the opportunity to prepare amendments to the budget. This 2014 Adopted Budget is the end result of the efforts by everyone involved in the budget process.